

MEMORANDUM
Fair Political Practices Commission

To: Chairman Getman, Commissioners Downey, Knox, and Swanson

From: Carla Wardlow, Chief
Technical Assistance Division

Date: November 22, 2002

Subject: Approval of the 2002/03 Statement of Economic Interests Forms
and Revised Campaign Disclosure Forms

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Attached for your approval are revisions to several campaign disclosure forms, the Form 700 (Statement of Economic Interests) and the Form 700 Certification. Most of the changes made to the forms were the result of recent legislative amendments to the Act. A brief description of the changes to each form is included below. In addition, there are two new statement of economic interests forms, the Form 700-A and the Form 700-U, which are also described in detail below.

An interested persons meeting was held on November 14, 2002, to receive public comment on the forms. Changes from that meeting have been incorporated. All changes are shown in strikeout and highlight.

Statement of Economic Interests (Form 700)

- ◆ Form 700—Statement of Economic Interests. The form and instructions have been revised for the 2002/03 filings. There were some legislative changes that affect the Form 700, which are described on the second page of the document. Dates for filing have been updated, as well as the gift limit.
- ◆ Form 700 Certification. This form has been updated for use by officeholders running in early 2003 elections. Officeholders can use the certification to avoid filing duplicate candidate and annual statements of economic interests.
- ◆ Form 700-A—Statement of Economic Interests for Auditors, Claims Managers/Adjusters. Regulation 18733 was adopted by the Commission in 1978. It allows state auditors and other specified employees to be assigned disclosure different from other designated employees. The regulation applies to auditors, investigators, inspectors and others whose duties involve making or participating in making decisions that could affect virtually any person, business, or real property in the state, yet who are not at such a high level to justify full disclosure. Various forms were

developed several years ago by the State Compensation Insurance Fund, the Franchise Tax Board, and the Board of Equalization. These forms have been updated and consolidated into a single form.

- ◆ Form 700-U—Statement of Economic Interests for Principal Investigators. Under regulation 18702.4(c), employees who make certain academic decisions for the University of California and the California State University have limited disclosure obligations. Limited disclosure is required by persons with principal responsibility for a research project if the project is to be funded or supported, in whole or in part, by a contract or grant (or other funds earmarked by the donor for a specific research project or for a specific researcher) from a nongovernmental entity. This concept originally was adopted by the Commission in 1978 (as regulation 18705), and was placed in regulation 18702.4 in 1999. The universities had been using an outdated form created several years ago. Their Form 730-U and instructions have been updated and renamed Form 700-U.

Campaign Disclosure Forms

- ◆ Form 410—Statement of Organization. The form instructions have been revised to incorporate various Proposition 34 changes, such as redesignation and termination of committees controlled by state candidates, legal defense funds, ballot measure committee names, etc., and to incorporate a legislative amendment to section 84101 (Chapter 901, Stats. 2001).
- ◆ Form 461—Major Donor and Independent Expenditure Committee Campaign Statement. This form has been revised to remove outdated instructions for disclosing per election cumulative amounts related to special elections. Other clarifying revisions have been made to the instructions, including filing locations.
- ◆ Form 496—Late Independent Expenditure Report. SB 2095 (Chapter 511, Stats. 2002) requires the Secretary of State to link electronic information disclosed pursuant to section 85500 to the candidate or measure being supported or opposed. The Form 496 has been revised to more clearly provide for disclosure of candidate district numbers, as required by section 84204(b).
- ◆ Form 497—Late Contribution Report. SB 1741 (Chapter 211, Stats. 2002) requires the recipient of a late contribution to disclose whether the contribution is a loan. The Form 497 has been revised to provide a check-box for this purpose.
- ◆ Form 501—Candidate Intention. The form and instructions have been revised to delete the expenditure ceiling amounts. Removing the amounts will avoid the need for future form changes when the expenditure ceilings increase.

Staff requests that you approve the form changes.